

Senate Study Bill 1028 - Introduced

SENATE/HOUSE FILE _____
BY (PROPOSED IOWA PUBLIC
EMPLOYEES' RETIREMENT
SYSTEM BILL)

A BILL FOR

1 An Act concerning certain vesting requirements for regular
2 service members under the Iowa public employees' retirement
3 system.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 97B.49A, subsection 3, Code 2011, is
2 amended to read as follows:

3 3. *Calculation of monthly allowance.* For each active or
4 inactive vested member retiring on or after July 1, 1994, ~~with~~
5 ~~four or more complete years of~~ who is vested by service, a
6 monthly benefit shall be computed which is equal to one-twelfth
7 of an amount equal to the applicable percentage of the final
8 average covered wage multiplied by a fraction of years of
9 service. However, if benefits under this section commence on
10 an early retirement date, the amount of the benefit shall be
11 reduced in accordance with section 97B.50.

12 EXPLANATION

13 Legislation enacted in 2010 changed the years of service
14 vesting requirement for regular service members under the Iowa
15 public employees' retirement system (IPERS) from four to seven
16 years beginning July 1, 2012, and defined this requirement
17 as being "vested by service". A corresponding reference in
18 Code section 97B.49A(3) to four or more complete years of
19 service for purposes of calculating the monthly retirement
20 allowance for regular service members was not changed in the
21 2010 legislation. This bill changes the reference from four or
22 more years of service to vested by service.